



United States General Accounting Office
Washington, DC 20548

October 17, 2001

The Honorable F. James Sensenbrenner, Jr.
Chairman, Committee on the Judiciary
House of Representatives

Subject: Federally Chartered Corporation: Review of the Financial Statement Audit Report for the Blue Star Mothers of America, Inc., for Fiscal Year 2000

Dear Mr. Chairman:

As requested, we reviewed the audit report covering the financial statements of the Blue Star Mothers of America, Inc., a federally chartered corporation, for the fiscal year ended August 31, 2000. The corporation's purpose is to perpetuate the memory of the men and women who have served our country as members of the Armed Forces.

Federally chartered corporations are required under 36 U.S.C. 10101 to

- present the corporation's assets and liabilities and reasonable detail on the corporation's income and expenses in annual financial statements,
- obtain an annual financial audit by an independent public accountant, and
- submit the auditors' report and the corporation's financial statements to the Congress.

The objective of our review was to determine whether the audit report complied with the financial reporting requirements of the law. In carrying out our work, we reviewed the corporation's financial statements and the accompanying notes, performed certain analytical procedures related to information presented in the financial statements, reviewed the audit report, and made inquiries to corporation officials or the individual performing the audit as we deemed necessary. We did not review the audit working papers.

We were informed by the individual performing the audit that she was not a certified or licensed independent public accountant. The audit requirement under 36 U.S.C. 10101 states a certified or licensed independent public accountant is to perform the audit. A corporation official said resources are insufficient at this time to engage a certified or licensed independent public accountant. The corporation is undertaking an initiative to improve its funding. We are returning the audit report you sent with your letter.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Jeffrey C. Steinhoff". The signature is fluid and cursive, with the first name "Jeffrey" being more prominent and the last name "Steinhoff" following in a similar style.

Jeffrey C. Steinhoff
Managing Director
Financial Management and Assurance

w/o Enclosure